



DEPARTMENT OF THE TREASURY

United States Mint

Notice with request for comment

AGENCY: United States Mint, Department of the Treasury.

ACTION: Notice with request for comment.

SUMMARY: The United States Mint hosted a meeting with coin industry stakeholders on March 13, 2014, at which bureau officials solicited individual input and answered questions from participants on the effects of changing the metal composition of circulating United States coinage (See *Federal Register*, February 4, 2014). This notice and request for comment is to supplement the information that the United States Mint has received to date from its stakeholders on factors identified as a result of the bureau's research and development efforts on alternative metals for circulating United States coinage.

Specifically, we are seeking input on these factors that the United States Mint identified in its *Biennial Report to Congress on the Current Status of Coin Production Costs and Analysis of Alternative Content* submitted to Congress in December 2012, which is available at the following Website:

http://www.usmint.gov/about_the_mint/PDFs/United_States_Mint_Report_2012_Biennial_Report_to_the_Congress_on_the_Current_Status_of_Coin_Production_Costs_and_Analysis_of_Alternative_Content_December_2012.pdf, These factors include changes in weight, color, electromagnetic signature, environmental impact, and transition/implementation period.

DATES: Submit either electronic or written comments by 60 days after the notice is published.

ADDRESSES: Submit electronic comments on the collection of information to Coin.StakeholdersResponse@usmint.treas.gov. Submit all written comments to Coin Stakeholders Response, Office of Coin Studies, United States Mint, 801 9th Street NW, Washington, DC 20220.

SUPPLEMENTARY INFORMATION: The Coin Modernization, Oversight, and Continuity Act of 2010 (Pub. L. 111-302) provides to the Secretary of the Treasury research and development authority for alternative metallic coinage materials. Specifically, the Secretary of the Treasury is authorized to – (1) conduct any appropriate testing of metallic coinage materials within or outside of the Department of the Treasury, and (2) solicit input from or otherwise work in conjunction with federal and non-federal entities, including independent research facilities or current or potential suppliers of the metallic material used in volume production of circulating coins. In accordance with Public Law 111-302, section 2(b), in conducting research or soliciting input, the Secretary of the Treasury shall consider the following:

1. Factors relevant to the potential impact of any revisions to the composition of the material used in coin production on the current coinage material suppliers;
2. Factors relevant to the ease of use and ability to co-circulate of new coinage materials, including the effect on vending machines and commercial coin processing equipment and making certain, to the greatest extent practicable, that any new coins work without interruption in existing coin acceptance equipment without modification; and
3. Such other factors that the Secretary of the Treasury, in consultation with merchants who would be affected by any change in the composition of circulating coins, vending machine and other coin acceptor manufacturers, vending machine owners and operators, transit officials, municipal parking officials, depository institutions, coin and currency handlers, armored-car operators, car wash operators, and American-owned manufacturers of commercial coin processing equipment, considers to be appropriate and in the public interest.

The Secretary of the Treasury has delegated to the United States Mint the authority to conduct research and development for alternative metallic coinage materials, consider the factors specified in Public Law 111-302, section 2(b), and prepare a biennial report to the Congress on the current status of coin production costs and analysis of alternative metallic coinage materials. Accordingly, the United States Mint conducted research and development, and the bureau described its initial efforts in its first biennial report submitted to the House Financial Services Committee and the Senate Committee on Banking, Housing, and Urban Affairs in December 2012.

Previously, the United States Mint requested public comment on the metallic content of all circulating coins, based on the factors specified in Public Law 111-302, in the *Federal Register*, March 4, 2011.

The United States Mint is now seeking written comments from coin industry stakeholders on the effects of changing qualities such as weight, color and electromagnetic signature of our circulating coinage. Comments on other possible impacts are also welcome, along with comments on possible environmental impacts and the length of time necessary for a transition and/or implementation period if coinage material were to be changed.

Themes of Stakeholder Input

Upon reviewing and considering the feedback that the United States Mint received at its March 13, 2014, coin industry stakeholder meeting, the bureau has categorized the feedback among one or more themes listed below. The enumeration of these themes is merely intended to evoke additional consideration and feedback. Coin industry stakeholders that respond to this request for comment do not need to limit their input to these themes.

1. A change to the diameter or thickness of U.S. coins would have a significant negative impact.
2. The quarter-dollar coin is the workhorse of circulating coins. Across stakeholders, any change to the quarter-dollar coin would bring about the most costly conversion to a new alternative metal quarter-dollar coin.

3. Aluminum alloy coins do not perform well at high speeds and high pressures of coin sorting and handling equipment.
4. A generous amount of communication and education is both needed and expected before implementing the use of alternative materials for the nation's circulating coins.
5. If new coin handling equipment or software is needed, manufacturers of coin handling equipment need six to 12 months with production sample coins before they can begin shipping the new updated equipment to end users.
6. The transition period for end users to implement an alternative material coin should be at least 18 months from the date the alternative material coin is announced and before it is put into circulation.
7. The total time period needed for a smooth transition is 18 to 30 months.

United States Mint Assessment to Date

The United States Mint has removed from consideration the change listed below. However, coin industry stakeholders that respond to this request for comment may provide input in favor of this change.

- Aluminum alloy metals are not being considered.

Industry stakeholders are encouraged to review the *Alternative Metals Study*, August 31, 2012, submitted to the United States Mint by Concurrent Technologies Corporation. Specifically, *Chapter 4.0 Outreach, Validation of Alternative material Candidate Nonsense Pieces and Security*, which includes previous industry feedback. The report is available at the following website: http://www.usmint.gov/about_the_mint/PDFs/ctcr-alternative-metals-study-2012-08-31.pdf

Specific Factors

Stakeholders are specifically invited to comment on the following factors:

- Costs to convert to circulating coins composed of alternative metals given the following possible changes to coins:
 - Weight
 - Electromagnetic signature
 - Visual changes, such as color and relief
- Transition time needed to introduce a circulating coin composed of an alternative metal
- Comments on how best to inform and educate both affected industries and the public on changes to circulating coins
- Environmental impact from the use of circulating coins composed of alternative metals.
- Other issues of importance not identified above

FOR FURTHER INFORMATION CONTACT: Office of Coin Studies at OfficeofCoinStudies@usmint.treas.gov, or by calling 202-354-6600.

Authority: Public Law 111-302, section 2(a)(2) & (b)(3); 31 U.S.C. 5112(p)(3)(A).

Dated: **April 4, 2014.**

Beverly Ortega Babers,
Chief Administrative Officer,
United States Mint.

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